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C O N F I D E N T I A L MADRID 001178

SIPDIS

INFO EUROPEAN POLITICAL COLLECTIVE PRIORITY
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E.O. 12958: DECL: 03/29/2015

TAGS: [PREL](#) [PGOV](#) [PTER](#) [SP](#) [VZ](#)

SUBJECT: DEMARCHE TO ZAPATERO ON MEETING WITH CHAVEZ, LULA,
URIBE

REF: A. A) SECSTATE 52920

[B](#). B) HALL - MANZANARES E-MAIL OF 3/23

Classified By: Charge d'Affaires Bob Manzanares; reasons 1.4 (B) and (D
)

[1](#)1. (SBU) Charge conveyed Ref A points to National Security Adviser Carles Casajuana on March 23. Casajuana stressed the correlation of USG-Spanish interests in a stable, democratic Venezuela and assured Charge that the USG points would be provided to President Zapatero and his party prior to Zapatero's departure for the region on March 28.

[1](#)2. (U) The largest-circulation Spanish dailies, "El Pais" and "El Mundo", provided extensive front page coverage of "U.S. concern" regarding the Spanish weapons sale to Venezuela and President Zapatero's overtures to Chavez. These press stories indicate that Spain made a final decision on March 27 on the weapons package it would offer Venezuela, which will include:

- 4 coastal patrol boats
- 4 ocean going corvettes
- 2 oil tankers
- 1
- 10 C-295 transport aircraft
- 2 coastal patrol aircraft

The total value of the sale is estimated at Euros 1.3 billion (USDOLS 1.69 billion) and will reportedly provide 600 jobs for 6 years at Spain's hard-pressed Navantia shipyards. Separately, Spanish oil giant Repsol-YPF and Petroleos de Venezuela were expected to conclude a cooperation agreement during Zapatero's visit, which could include up to USDOLS 185 million in investments in Venezuela by Repsol.

[1](#)3. (C) "El Pais," which has close ties to the ruling Socialist Party, cited unnamed sources who asserted that the MFA had strongly opposed the weapons sale to Venezuela because it would undermine Spanish relations with Colombia and the USG. The press story cast the four-leader format of the summit as an effort by the MFA to mollify the USG by ensuring Uribe's inclusion in the most high-profile element of the Zapatero visit. This tracks with numerous private conversations with MFA contacts at various levels, including Deputy FM Bernardino Leon, who were clearly uncomfortable with the nature of the weapons sale to Venezuela and insisted that Defense Minister Jose Bono pushed the deal through despite the MFA's strong opposition. The MFA is now in spin control mode, minimizing the potential offensive capability of the weapons package (describing the corvettes as "patrol boats" for example) and working hard to protect the GOS from USG and opposition criticism.

[1](#)4. (C) With Ref A demarche, we have now raised our concerns regarding Spanish overtures and weapons sales to Venezuela in at least eight separate meetings with GOS officials, including with Deputy FM Leon, Defense Minister Bono, Deputy Defense Minister Pardo, and CHOD Sans. More importantly, Attorney General Gonzalez raised Venezuela as a key source of bilateral friction during his March 10 meetings with Vice President Maria Teresa Fernandez de la Vega and FM Moratinos. Given the magnitude of the sale, we did not expect to derail the ship deal, but the USG's constant pressure on this issue does make clear that the weapons sale will remain a drag on efforts to improve bilateral relations.
MANZANARES